

**IN THE SPECIFICATION:**

Page 1, after the title insert the following topic headings:

**BACKGROUND OF THE INVENTION**

**FIELD OF THE INVENTION**

Page 1, line 7, insert the following topic heading.

**THE PRIOR ART**

Page 5, lines 9 to 12, replace the paragraph with the following amended paragraph.

A preferred embodiment of the present invention will now be described by way of example only, with reference to the accompanying drawings ~~in which:-~~.

**BRIEF DESCRIPTION OF THE DRAWINGS**

Page 6, lines 20 to 32, replace the paragraphs with the following amended paragraphs.

Figures 28 to 35-32 are cross-sectional side elevations of further alternative substrates incorporating optically variable devices;

Figure 3633 is a cross-sectional side elevation of an alternative substrate to that of Figure 2, but with two demetallised layers, one on either side of the transparent magnetic media containing layer; and

Figures 3734 and 3835 are cross-sectional side elevations of further alternative substrates which are coded.

#### DETAILED DESCRIPTION OF THE PREFERRED EMBODIMENTS

Page 11, after line 37, insert the following paragraph.

Alternatively, the varnish 2 may first be applied to the protective layer 5 and this construction laminated to the partially demetallised structure 3, 4.

Page 13, lines 10 to 17, replace the paragraph with the following amended paragraph.

As an alternative a high refractive index (HRI) layer (8) such as ZnS or a polymer liquid crystal layer can be applied ~~in preference to or in~~ addition to the partial metal layer (3, 4) as shown in figure 5-10 to provide an iridescent effect in the metallic regions (3). However, a dark or black background layer will need to be located behind any liquid crystal layer to cause the colourshift effect.

Page 14, line 23 to page 17, line 3, replace the paragraphs with the following amended paragraphs.

It is also possible to produce a variant of the invention incorporating an optically variable device such as a hologram, Kinegram or Exelgram. Here an additional embossing lacquer (10) is applied on to the substrate and embossed to provide an embossed surface (11). The reflection enhancing layer used to form the partially metallised layer 3, 4 may be metal, as shown in Figs. 28 to 31, or an HRI layer, as shown in Figs. 32 to 34.

Figures 28 to 31 show alternative constructions for the optically variable device utilizing a metallic reflection enhancing layer for the partially metallised layer 3, 4. Figures 32 to 34 show alternative constructions for utilizing the HRI reflection enhancing layer.

Figure 35 32 illustrates an alternative construction whereby the coated film (1,2) is metallised and, selectively demetallised. An embossing lacquer (10) is applied, which is then embossed. An optional protective polymer layer(s) is applied to the embossed surface (11).

#### Example 11

Figures 2 illustrates a further alternative construction, which is a variant of that shown in Figure 1, whereby the polymer carried layer (1) has a metal layer applied thereto which is partially demetallised to form a partially metallised surface (3, 4). The varnish (2) containing the magnetic material is then applied to the partially metallised surface (3, 4). An additional protective layer (5) may then applied over the layer of

~~varnish (2). Alternatively, the varnish (2) may first be applied to the protective layer (5) and this construction laminated to the partially demetallised structure (3, 4).~~

Example 1211

In this example, as illustrated in Figure 36 33, the substrate has two partially metallised layers (3, 4). This is achieved by partially demetallising the first carrier layer (1) and, in a separate process, partially demetallising a second additional carrier layer (5). The magnetic material containing varnish (2) is applied to the partially metallised surface (3, 4) of the first layer (1) and a laminating adhesive (12) applied to enable the second layer (5) with its demetallised surface (3, 4) to be adhered to the first layer (1).

Example 1312

This is an example of a coded thread as mentioned previously and as illustrated in Figure 37 34. In this example an additional magnetic layer (10) is applied to the transparent magnetic media containing layer (2). The additional magnetic layer (10) is preferably discontinuous and also transparent, but incorporates a material of differing coercivity to that of layer (2). Although it is preferred that the layer (10) is transparent, a non-transparent magnetic material may be used in layer 10. The additional layer (10) may also comprise several different magnetic

materials printed sequentially to define a code, either abutting or overlapping to form a continuous layer.

Example 1413

This is a further example of a coded substrate, as illustrated in Figure 38-35, in which the magnetic material containing varnish (2) is applied in a discontinuous manner to define a code. The code may be printed with several materials having different coercivities. In this example, the need for an additional magnetic layer is described in Example 1312 is removed. However, as with the previous examples, where using materials of differing coercivities, these can be printed in sequence either abutting or overlapping to form a continuous layer. In this Example numeral (13) denotes an uncoated magnetic region. In an alternative embodiment, the code does not need to be in register with the indicia.

In all the aforementioned examples it should be noted that, as mentioned in conjunction with Example 34-12, the demetallised construction consisting of the carrier layer (1) and partially metallised surface (3, 4) can be formed separately from the transparent magnetic construction comprising the protective layer (5) with the magnetic material containing varnish (2) and then laminated together using a suitable adhesive.